

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the period ended September 30, 2001

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to _____

Commission File Number 0-27902

ICON Cash Flow Partners, L.P., Series D

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

13-3602979

(IRS Employer
Identification Number)

100 Fifth Avenue, New York, New York 10011-1505

(Address of principal executive offices)

(Zip code)

(212) 418-4700

Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

PART I - FINANCIAL INFORMATION**Item 1. Financial Statements****ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)****Consolidated Balance Sheets****(unaudited)**

	September 30, <u>2001</u>	December 31, <u>2000</u>
<u>Assets</u>		
Cash	\$ 84,858	\$ 152,578
Investment in finance leases		
Minimum rents receivable	69,085	345,531
Estimated unguaranteed residual values	234,586	772,389
Initial direct costs	471	4,157
Unearned income	(37,070)	(92,763)
Allowance for doubtful accounts	<u>(256,928)</u>	<u>(256,928)</u>
	<u>10,144</u>	<u>772,386</u>
Investment in operating lease equipment, at cost	3,384,869	3,384,869
Accumulated depreciation	<u>(1,554,936)</u>	<u>(1,267,097)</u>
	<u>1,829,933</u>	<u>2,117,772</u>
Investment in financings		
Receivables due in installments	2,385,491	2,484,219
Initial direct costs	308	308
Unearned income	(533,845)	(666,947)
Allowance for doubtful accounts	<u>(92,097)</u>	<u>(92,097)</u>
	<u>1,759,857</u>	<u>1,725,483</u>
Investment in joint venture	<u>52,820</u>	<u>518,430</u>
Other assets	<u>74,421</u>	<u>95,050</u>
Total assets	<u>\$ 3,812,033</u>	<u>\$ 5,381,699</u>

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Consolidated Balance Sheets (Continued)

(unaudited)

	September 30, <u>2001</u>	December 31, <u>2000</u>
<u>Liabilities and Partners' Equity</u>		
Note payable - recourse	\$ -	\$ 72,717
Notes payable - non-recourse	3,006,192	3,411,495
Security deposits, deferred credits and other payables	<u>940,168</u>	<u>1,210,277</u>
	<u>3,946,360</u>	<u>4,694,489</u>
Partners' equity (deficiency)		
General Partner	(345,939)	(337,724)
Limited partners (399,118 units outstanding, \$100 per unit original issue price)	<u>211,612</u>	<u>1,024,934</u>
Total partners' (deficit) equity	<u>(134,327)</u>	<u>687,210</u>
Total liabilities and partners' equity	<u>\$ 3,812,033</u>	<u>\$ 5,381,699</u>

See accompanying notes to consolidated financial statements.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Consolidated Statements of Operations

(unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenue				
Rental income	\$ 143,198	\$ 292,528	\$ 637,198	\$ 935,236
Finance income	65,051	192,122	207,096	355,267
Gain on sales of equipment	4,317	542,472	31,801	606,784
Loss from investment in joint venture	(4,859)	(93,899)	(465,610)	(60,607)
Interest and other income	<u>417</u>	<u>13,601</u>	<u>7,128</u>	<u>27,292</u>
Total revenues	<u>208,124</u>	<u>946,824</u>	<u>417,613</u>	<u>1,863,972</u>
Expenses				
Depreciation	95,947	135,577	287,839	446,363
Interest	73,538	133,856	232,718	440,040
General and administrative	28,335	49,320	120,260	202,579
Amortization of initial direct costs	1,319	2,362	3,686	9,427
Management fees - General Partner	-	-	-	47,532
Administrative expense reimbursement- General Partner	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,292</u>
Total expenses	<u>199,139</u>	<u>321,115</u>	<u>644,503</u>	<u>1,158,233</u>
Net income (loss)	<u>\$ 8,985</u>	<u>\$ 625,709</u>	<u>\$ (226,890)</u>	<u>\$ 705,739</u>
Net income (loss) allocable to:				
Limited partners	\$ 8,895	\$ 619,451	\$ (224,621)	\$ 698,682
General Partner	<u>90</u>	<u>6,258</u>	<u>(2,269)</u>	<u>7,057</u>
	<u>\$ 8,985</u>	<u>\$ 625,709</u>	<u>\$ (226,890)</u>	<u>\$ 705,739</u>
Weighted average number of limited partnership units outstanding	<u>399,118</u>	<u>399,118</u>	<u>399,118</u>	<u>399,118</u>
Net income (loss) per weighted average limited partnership unit	<u>\$.02</u>	<u>\$ 1.55</u>	<u>\$ (.56)</u>	<u>\$ 1.75</u>

See accompanying notes to consolidated financial statements.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Consolidated Statements of Changes in Partners' Equity

**For the Nine Months Ended September 30, 2001 and
the Year Ended December 31, 2000**

(unaudited)

Limited Partner Distributions

	Return of <u>Capital</u>	Investment <u>Income</u>	Limited <u>Partners</u>	General <u>Partner</u>	<u>Total</u>
	(Per weighted average unit)				
Balance at December 31, 1999			\$ 4,303,607	\$ (304,607)	\$ 3,999,000
Cash distributions to partners	\$ 8.21	\$ 2.04	(4,091,082)	(41,323)	(4,132,405)
Net income			<u>812,409</u>	<u>8,206</u>	<u>820,615</u>
Balance at December 31, 2000			1,024,934	(337,724)	687,210
Cash distributions to partners	\$ 1.48	\$ -	(588,701)	(5,946)	(594,647)
Net loss			<u>(224,621)</u>	<u>(2,269)</u>	<u>(226,890)</u>
Balance at September 30, 2001			<u>\$ 211,612</u>	<u>\$ (345,939)</u>	<u>\$ (134,327)</u>

See accompanying notes to consolidated financial statements.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Consolidated Statements of Cash Flows

For the Nine Months Ended September 30,

(unaudited)

	<u>2001</u>	<u>2000</u>
Cash flows from operating activities:		
Net (loss) income	\$ (226,890)	\$ 705,739
Adjustments to reconcile net income to net cash provided by operating activities:		
Interest expense on non-recourse financing paid directly to lenders by lessees	231,087	424,777
Depreciation	287,839	446,363
Finance income portion of receivables paid directly to lenders by lessees	(188,795)	(76,510)
Rental income paid directly to lenders by lessees	(437,198)	(494,236)
Loss from investment in joint venture	465,610	60,607
Amortization of initial direct costs	3,686	9,427
Gain on sales of equipment	(31,801)	(606,784)
Changes in operating assets and liabilities:		
Collection of principal - non-financed receivables	156,545	666,515
Security deposits, deferred credits and other payables	(270,109)	(444,729)
Other assets	20,629	68,741
Other	<u>26,097</u>	<u>182,967</u>
Total adjustments	<u>263,590</u>	<u>237,138</u>
Net cash provided by operating activities	<u>36,700</u>	<u>942,877</u>
Cash flows from investing activities:		
Proceeds from sales of equipment	562,944	4,699,107
Distributions from investments in unconsolidated joint ventures	<u>-</u>	<u>80,295</u>
Net cash provided by investing activities	<u>562,944</u>	<u>4,779,402</u>

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Consolidated Statements of Cash Flows (Continued)

For the Nine Months Ended September 30,

(unaudited)

	<u>2001</u>	<u>2000</u>
Cash flows from financing activities:		
Cash distributions to partners	(594,647)	(2,318,188)
Proceeds from non-recourse debt	-	2,967,966
Principal payments on note payable - recourse	(72,717)	(153,840)
Principal payments on note payable non-recourse securitized debt – NECC	-	(58,146)
Principal payments on non-recourse debt	<u>-</u>	<u>(4,473,520)</u>
Net cash used in financing activities	<u>(667,364)</u>	<u>(4,035,728)</u>
Net (decrease) increase in cash	(67,720)	1,686,551
Cash at beginning of period	<u>152,578</u>	<u>287,481</u>
Cash at end of period	<u><u>\$ 84,858</u></u>	<u><u>\$ 1,974,032</u></u>

See accompanying notes to consolidated financial statements.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Consolidated Statements of Cash Flows (Continued)

Supplemental Disclosures of Cash Flow Information

During the nine months ended September 30, 2001 and 2000, non-cash activities included the following:

	<u>2001</u>	<u>2000</u>
Principal and interest on direct finance		
receivables paid directly to lenders by lessees	\$ 199,192	\$ 1,494,241
Rental income assigned operating lease receivable	437,198	494,236
Principal and interest on non-recourse financing		
paid directly by lessees	<u>(636,390)</u>	<u>(1,988,477)</u>
	<u>\$ -</u>	<u>\$ -</u>

Interest expense of \$232,718 and \$440,040 for the nine months ended September 30, 2001 and 2000 consisted of: interest expense on non-recourse financing paid or accrued directly to lenders by lessees of \$231,087 and \$424,777, respectively, and interest expense on note payable - recourse of \$1,631 and \$15,263, respectively.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements

September 30, 2001

(unaudited)

1. Basis of Presentation

The consolidated financial statements of ICON Cash Flow Partners, L.P., Series D (the "Partnership") have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and, in the opinion of management, include all adjustments (consisting only of normal recurring accruals) necessary for a fair statement of results for each period shown. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such SEC rules and regulations. Management believes that the disclosures made are adequate to make the information presented not misleading. The results for the interim period are not necessarily indicative of the results for the full year. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Partnership's 2000 Annual Report on Form 10-K.

2. Disposition Period

The Partnership's reinvestment period ended June 5, 1997. The disposition period began on June 6, 1997. During the disposition period the Partnership has, and will continue to distribute substantially all distributable cash from operations and equipment sales to the partners and continue the orderly termination of its operations and affairs. The Partnership has not, and will not invest in any additional finance or lease transactions during the disposition period. During the disposition period, the Partnership expects to recover, at a minimum, the carrying value of its assets.

3. Related Party Transactions

Fees paid or accrued by the Partnership to the General Partner or its affiliates for the nine months ended September 30, 2001 and 2000 are as follows:

	<u>2001</u>	<u>2000</u>	
Management fees	\$ -	\$ 47,532	Charged to operations
Administrative expense reimbursements	<u>-</u>	<u>12,292</u>	Charged to operations
Total	<u>\$ -</u>	<u>\$ 59,824</u>	

The General Partner has waived all future management fees and administrative expense reimbursements payable by the Partnership commencing July 1, 2000.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Notes to Consolidated Financial Statements - Continued

The Partnership has an investment in a joint venture with other partnerships sponsored by the General Partner. (See Note 4 for additional information relating to the joint venture.)

4. Investment in Joint Venture

In March 1997 the Partnership, ICON Cash Flow Partners L.P. Six ("L.P. Six"), and ICON Cash Flow Partners L.P. Seven ("L.P. Seven"), contributed and assigned equipment lease and finance receivables and residuals to ICON Receivables 1997-A L.L.C. ("1997-A"), a special purpose entity created for the purpose of originating leases, managing existing contributed assets and securitizing its portfolio. In September 1997 ICON Cash Flow Partners, L.P., Series E ("Series E"), L.P. Six and L.P. Seven contributed and assigned additional equipment lease and finance receivables and residuals to 1997-A. The Partnership, Series E, L.P. Six and L.P. Seven received a 17.81%, 31.19%, 31.03% and 19.97% interest, respectively, in 1997-A based on the present value of their related contributions. In September 1997, 1997-A securitized substantially all of its equipment leases and finance receivables and residuals and 1997-A became the beneficial owner of a trust. The Partnership's original investment was recorded at cost and is adjusted by its share of earnings, losses and distributions thereafter.

Information as to the unaudited financial position and results of operations of 1997-A at September 30, 2001 and 2000 are summarized below:

	<u>September 30, 2001</u>	<u>September 30, 2000</u>
Assets	<u>\$2,317,470</u>	<u>\$10,906,111</u>
Liabilities	<u>\$2,020,887</u>	<u>\$ 8,391,993</u>
Equity	<u>\$ 296,583</u>	<u>\$ 2,514,118</u>
Partnership's share of equity	<u>\$ 52,820</u>	<u>\$ 575,689</u>
	<u>Nine Months Ended</u> <u>September 30, 2001</u>	<u>Nine Months Ended</u> <u>September 30, 2000</u>
Net loss	<u>\$(1,895,962)</u>	<u>\$ (340,318)</u>
Partnership's share of net loss	<u>\$ (465,610)</u>	<u>\$ (60,607)</u>
Distributions	<u>\$ -</u>	<u>\$ 450,866</u>
Partnerships share of distributions	<u>\$ -</u>	<u>\$ 80,295</u>

1997-A recorded a provision for bad debt of \$1,825,000 during the nine month period ended September 30, 2001 and \$500,000 in the nine month period ended September 2000.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Item 2. General Partner's Discussion and Analysis of Financial Condition and Results of Operations

The Partnership's portfolio consisted of a net investment in finance leases, operating leases, financings and investment in unconsolidated joint venture, representing 1%, 50%, 48% and 1% of total investments at September 30, 2001, respectively, and 21%, 38%, 30% and 11% of total investments at September 30, 2000, respectively.

Results of Operations for the Three Months Ended September 30, 2001 and 2000

Revenues for the three months ended September 30, 2001 were \$208,124, representing a decrease of \$738,700 from 2000. The decrease in revenues resulted primarily from decreases in rental income of \$149,330, gain on sales of equipment of \$538,155, and finance income of \$127,071. The decrease in revenues was partially offset by a decrease in loss from investment in joint venture, which was \$4,859 and \$93,899 for the three months ended September 30, 2001 and 2000, respectively.

The decreases in rental income and gain on sales of equipment resulted from the third quarter 2000 sale of a DHC-8 aircraft at a gain of \$549,092, which aircraft was an operating lease last year. Finance income decreased due to a decrease in the average size of the lease investment portfolio from 2000 to 2001. The decrease in the loss from the investment in joint venture resulted from a \$500,000 provision for bad debts being recorded in the third quarter of 2000 by the underlying joint venture ICON Receivables 1997-A L.L.C. ("1997-A"). There was no provision for bad debt recorded in the 2001 third quarter.

Expenses for the three months ended September 30, 2001 were \$199,139 representing a decrease of \$121,976. The decrease in expenses resulted from decreases in depreciation expense of \$39,630, interest expense of \$60,318 and general and administrative expenses of \$20,985. The decrease in depreciation expense resulted from the sale of a DHC-8 aircraft during the third quarter of 2000. Interest expense decreased due to a decrease in the average debt outstanding from 2000 to 2001. The decrease in general and administrative expenses was due to a decrease in professional fees.

Net income for the three months ended September 30, 2001 and 2000 was \$8,985 and \$625,709, respectively. The net income per weighted average limited partnership unit outstanding was \$.02 and \$1.55 for 2001 and 2000, respectively.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Results of Operations for the Nine Months Ended September 30, 2001 and 2000

Revenues for the nine months ended September 30, 2001 were \$417,613, representing a decrease of \$1,446,359 from 2000. The decrease in revenues resulted primarily from a loss in investment in joint venture of \$465,610 versus a loss of \$60,607 for the comparable period last year and decreases in rental income of \$298,038, gain on sales of equipment of \$574,983 and finance income of \$148,171. The increase in loss from investment in joint venture was due primarily to a \$1,825,000 provision for bad debts recorded by the venture in 2001 versus a \$500,000 provision for bad debts recorded in the 2000 period. Rental income decreased primarily as a result of the third quarter 2000 sale of a DHC-8 aircraft. The decrease in rental income was partially offset by a one time settlement payment of \$200,000 received in the first quarter of 2001 for a rental claim related to the aircraft sold in the third quarter of 2000. Excluding the impact of the \$200,000 settlement payment, rental income would have decreased by \$498,038 from 2000 to 2001 as a result of the third quarter 2000 sale of the aircraft. The decrease in gain on sales of equipment was due to the \$549,092 gain recorded in 2000 on the sale of a DHC-8 aircraft. Finance income decreased due to a decrease in the average size of the lease investment portfolio from 2000 to 2001.

Expenses for the nine months ended September 30, 2001 were \$644,503, representing a decrease of \$513,730 from 2000. The decrease in expenses resulted from decreases in interest expense of \$207,322, depreciation expense of \$158,524, general and administrative expenses of \$82,319, management fees of \$47,532, and administrative fees of \$12,292. The decrease in depreciation expense resulted primarily from the sale of a DHC-8 aircraft during the third quarter of 2000. Interest expense decreased due to a decrease in the average debt outstanding from 2000 to 2001. The decrease in management fees - General Partner and administrative expense reimbursement - General Partner was due to the General Partner waiving management fee and administrative expense reimbursements commencing July 1, 2000. The decrease in general and administrative expense resulted from a decrease in professional fees.

Net (loss) income for the nine months ended September 30, 2001 and 2000 was (\$226,890) and \$705,739, respectively. The net (loss) income per weighted average limited partnership unit was (\$.56) and \$1.75 for 2001 and 2000, respectively.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

Liquidity and Capital Resources

The Partnership's primary sources for funds for the nine months ended September 30, 2001 and 2000 were proceeds from borrowings of \$2,967,966 in 2000, cash provided by operations of \$36,700 and \$942,877, respectively, and net cash provided by sales of equipment of \$562,944 and \$4,699,107, respectively. These funds were used to fund cash distributions and to make payments on borrowings. Cash distributions to the limited partners for the nine months ended September 30, 2001 and 2000 totaled \$588,701 and \$2,295,007, respectively.

The Partnership's reinvestment period ended June 5, 1997. The disposition period began on June 6, 1997. During the disposition period the Partnership has, and will continue to distribute substantially all distributable cash from operations and equipment sales to the partners and continue the orderly termination of its operations and affairs. The Partnership has not, and will not invest in any additional finance or lease transactions during the disposition period. During the disposition period the Partnership expects to recover, at a minimum, the carrying value of its assets.

As a result of the Partnership's being in its disposition period, future monthly distributions are expected to fluctuate depending on the amount of asset sale and re-lease proceeds received during that period.

The Partnership is monitoring closely the impact of a slowing economy and the terrorist attacks of September 11, 2001 on its lessees in certain industries, including the airline industry. However, as of September 30, 2001, except as noted above, there were no known trends or demands, commitments, events or uncertainties which are likely to have any material effect on liquidity. As cash is realized from operations and sales of equipment, the Partnership will distribute substantially all available cash, after retaining sufficient cash to meet its reserve requirements and recurring obligations.

Item 3. Qualitative and Quantitative Disclosures About Market Risk

The Partnership is exposed to certain market risks, including changes in interest rates. The Partnership believes its exposure to other market risks are insignificant to both its financial position and results of operations.

The Partnership manages its interest rate risk by obtaining fixed rate debt. The fixed rate debt service obligation streams are generally matched by fixed rate lease receivable streams generated by the Partnership's lease investments.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

PART II - OTHER INFORMATION

Item 6 - Exhibits and Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended September 30, 2001.

ICON Cash Flow Partners, L.P., Series D
(A Delaware Limited Partnership)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ICON CASH FLOW PARTNERS, L.P., SERIES D
File No. 33-40044 (Registrant)
By its General Partner,
ICON Capital Corp.

November 13, 2001
Date

/s/ Thomas W. Martin
Thomas W. Martin
Executive Vice President
(Principal financial and accounting officer of
the General Partner of the Registrant)